



FISCAL MEMORANDUM

HB 1719 - SB 1872

April 11, 2022

SUMMARY OF BILL AS AMENDED (017047): Extends the “Ground Ambulance Service Provider Assessment Act” to June 30, 2023. Allows TennCare to use total transports submitted to the Office of Emergency Medical Services for calendar year 2021 for calculation of assessments if quarterly transport data is not adequately available. Alters the assessment amount due from each ambulance provider for the remainder of FY21-22.

FISCAL IMPACT OF BILL AS AMENDED:

Increase State Revenue –

\$21,200/FY21-22/Ambulance Service Assessment Revenue Fund

\$10,655,000/FY22-23/Ambulance Service Assessment Revenue Fund

Increase State Expenditures –

\$21,200/FY21-22/Ambulance Service Assessment Revenue Fund

\$10,655,000/FY22-23/Ambulance Service Assessment Revenue Fund

Increase Federal Expenditures –

\$3,523,000/FY21-22/Ambulance Service Assessment Revenue Fund

\$20,688,000/FY22-23/Ambulance Service Assessment Revenue Fund

The Governor’s FY22-23 proposed budget includes \$10,690,200 in state funds and \$20,830,800 in federal funds for the Ambulance Service Assessment on page A-32.

Assumptions for the bill as amended:

- Based on information provided by the Division of TennCare, the proposed legislation would result in a one-time increase of \$10,655,000 to the Ambulance Service Assessment Revenue Fund (ASARF) for FY22-23.
- It is estimated that \$150,000 will be expended for a TennCare administrative position, which will be paid in part by federal matching funds at a rate of 50 percent. The resulting increase in federal funds will be approximately \$75,000 ($\$150,000 \times 50.0\%$) with a corresponding increase in state funds of \$75,000.
- It is estimated that \$160,000 will be expended for a grant for the Tennessee Ambulance Service Association (TASA) administrative support, which will be paid in part by federal matching funds at a rate of 50 percent. The resulting increase in federal funds

will be approximately \$80,000 ($\$160,000 \times 50.0\%$) with a corresponding increase in state funds of \$80,000.

- It is estimated that \$10,500,000 [$\$10,655,000 - (\$75,000 + \$80,000)$] will be expended at a state rate of 33.835 percent and will receive federal matching funds at a rate of 66.165 percent. The resulting increase in federal funds will be approximately \$20,532,955 [$(\$10,500,000 / 33.835\%) \times 66.165\%$].
- Total state expenditures will be \$10,655,000 ($\$10,500,000 + \$75,000 + \$80,000$) in FY22-23.
- Total federal expenditures will be \$20,687,955 ($\$20,532,955 + \$75,000 + \$80,000$) in FY22-23.
- The total increase to the ASARF will be approximately \$31,342,955 ($\$10,655,000$ state + $\$20,687,955$ federal) in FY22-23.
- The proposed legislation changes the total assessment amount for the third and fourth quarter of FY21-22 to \$19,287,653, which will be expended at \$5,327,500 state funding, and \$13,960,153 federal funding. The projected total assessment amount for the third and fourth quarter of FY21-22 within the *Ground Ambulance Service Provider Assessment Act* in 2021 was \$15,743,482 ($\$5,306,341$ state funding + $\$10,437,141$ federal funding). Therefore, there will be an increase in state expenditures of \$21,159 ($\$5,327,500 - \$5,306,341$) for FY21-22 and an increase in federal expenditures of \$3,523,012 ($\$13,960,153 - \$10,437,141$) for FY21-22.

IMPACT TO COMMERCE OF BILL AS AMENDED:

**Increase Business Revenue – \$3,544,200/FY21-22
\$31,343,000/FY22-23**

**Increase Business Expenditures – \$3,544,200/FY21-22
\$31,343,000/FY22-23**

Jobs Impact – Not Significant

Assumptions for the bill as amended:

- Ambulance providers will incur a one-time increase in business revenue of \$3,544,200 in FY21-22 and \$31,343,000 in FY22-23 to cover costs of ground ambulance transport.
- Ambulance service providers will incur a corresponding one-time increase in business expenditures of \$3,544,200 in FY21-22 and \$31,343,000 in FY22-23.
- The proposed legislation will not increase the number of ambulance service providers, it only extends the Ground Ambulance Service Provider Assessment Act until June 30, 2023. Therefore, any impact to jobs in Tennessee is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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